COURT NO. 2

IN THE HIGH COURT OF UTTARANCHAL AT NAINITAL

Income Tax Appeal No. 148 of 2005

Sedco Forex International Drilling Inc.
as agent of its employee Mr. Michael Kingston
a company incorporated in the Republic of Panama
having its registered office at No. 8 Acquitino de la
Guardia Street, City of Panama, Republic of Panama,
present Address C/o A.F. Ferguson & Co.
Maker Towers, Cuffe Parade, Mumbai

..... Appellant

Versus

1. The Commissioner of Income Tax, Dehradun
   having office at Subhash Road, Dehradun-248001
2. The Assistant Commissioner of Income-248001
   Special Range, Dehradun having office
   at Subhash Road, Dehradunn-248001

..... Respondents

Ms. Menka Tripathi, Advocate for the appellant.
Mr. Pitamber Maulekhi,Advocate for the respondents.

Dated: March 23, 2006

Coram: Hon. P.C. Verma, J.
Hon. B.C. Kandpal, J.

Both the parties are ready to argue the matter today.

2. This appeal has been preferred against the consolidated order dated 28.01.2005 for the assessment year 1998-99, passed by the Income Tax Appellate Tribunal, (Bench 'E' New Delhi).

3. The learned counsel for the parties agree that the following only two questions of law arise in this appeal for

the determination. They do not press the rest of the questions framed in the appeal:-

1. *"Whether the learned I.T.A.T. has erred in law in holding that the appellants have failed to satisfy the condition that 'the remuneration is not deductible in computing the profits of an enterprise chargeable to tax in that other State?*

2. *"Whether, the learned I.T.A.T. has erred in law in holding that the appellants are not governed by the provisions of the Agreement for Avoidance of Double Taxation (AADT)?"*

4. The aforementioned questions were answered by the Division Bench of this Court {in which one of us (P.C. Verma, J.) was a member} in case of "Sedco Forex *International Inc. Vs. The Commissioner of Income Tax and another",* which was decided on 22.07.2005 in Income Tax Appeal No. 165 of 2001 and other connected cases. In the said judgment, the questions framed in the said appeal were answered in favour of the Revenue.

5. Following the above-mentioned judgment of a Division Bench of this Court, we dismiss this appeal.

(B.C. Kandpal, J.) (P.C. Verma, J.)

Rajeev Dang